

especially if lie be a man of comparatively small resources, where a judicious distribution of them is the more urgent, to refuse any investment where an uncalled liability is entailed, however prosperous has been the past history of the company, or however propitious be its evident prospects. The prudent investor, of course, with abundant means, where a loss in any direction would not seriously affect his general financial position, may properly adopt a different view.

Companies exist which, in consideration of an annual premium, guarantee the capital and interest of investors in various joint stock commercial and industrial undertakings, so that an investor thus possesses a twofold security—that of the original company and that of the guaranteeing office. The latter, for their own protection, exercise a skilled and constant supervision over the progress and prospects of the undertaking, whose obligations they protect—a course obviously not feasible to the single individual. But without impugning in any degree the value of this extraneous guarantee, the question arises, why, if the original concern be thoroughly solvent and prosperous (which must be the case, or the protection would not be furnished) should the investor be willing to charge his interest (or dividend) with the necessary premium, instead of retaining the entire income to himself? And, on the other hand, if doubts may exist of the permanent solidity of the original company, so that a supplementary security is deemed to be necessary, why invest at all? But the question must be answered by each investor himself should he possess, or acquire, the knowledge necessary for the judicious choice of investments of this character.

The general advice still remains to the man of minor means, that companies, however excellent, which require this protection had better be left to the choice of richer men. An excellent service is rendered in a different form by such a guaranteeing company. An admirable property is purchasable, but some defective link in the chain of legal title—possibly unimportant from lapse of time or duration of holding—prevents completion. The guarantee of such a

company finds in this case an obvious and useful function.

10. It is sometimes suggested that a part of the investments